

Message Text

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PAGE 01 LONDON 00464 101843Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
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E.O. 11652: N/A
TAGS: ENRG UK
SUBJECT: LAG IN UK OIL PRODUCTION

1. BRITISH CRUDE OIL PRODUCTION HAS STEADILY DECLINED
FOR SEVERAL MONTHS FOR A SERIES OF TECHNICAL REASONS,
NONE OF WHICH ALTER THE LONG-RUN PROSPECTS. PEAK
PRODUCTION OF 859,072 AVERAGE BARRELS PER DAY WAS
REACHED IN SEPTEMBER, AND THE FIGURE SLUMPED ONLY
MARGINALLY TO 840,498 IN OCTOBER. HOWEVER, NOVEMBER

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PRODUCTION STATISTICS, JUST RELEASED, ARE 802,999
BARRELS PER DAY. FURTHERMORE, THE UK DEPARTMENT OF
ENERGY (UKDOE) EXPECTS THE DECEMBER FIGURE TO BE NO
BETTER. (ALL TOTALS INCLUDE BETWEEN TWO AND THREE
PERCENT NATURAL GAS LIQUIDS.) THUS, AVERAGE UK CRUDE
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PAGE 02 LONDON 00464 101843Z

OIL PRODUCTION AT THE OUTSET OF 1978 IS LOWER THAN IT
WAS LAST MAY.

2. PRODUCTION FOR THE FULL YEAR 1977 WILL NOW TOTAL
BETWEEN 37 AND 38 MILLION TONS (7.3 BARRELS PER TON)
INSTEAD OF THE 40 TO 45 MILLION PROJECTED LAST APRIL
IN THE UKDOE BROWN BOOK. THE 1978 PROJECTION OF 60 TO

70 MILLION TONS IS ALSO LIKELY TO BE REVISED DOWNWARD TO ABOUT 60 MILLION TONS, ALTHOUGH THE EVENTUAL PRODUCTION RANGE OF 100 TO 150 MILLION TONS "IN THE 1980S" REMAINS INTACT.

3. THE POLICY DECISION TO REQUIRE INSTALLATION OF GAS REINJECTION EQUIPMENT AND THEREFORE THE TEMPORARY SHUTTING DOWN OF BRENT FIELD PRODUCTION PLATFORM B WAS ONLY PARTLY RESPONSIBLE FOR THE OVERALL DECLINE. THERE HAVE BEEN OTHER EQUIPMENT DELAYS AT BRENT. BRITISH NATIONAL OIL CORPORATION'S THISTLE FIELD IS BEHIND SCHEDULE BECAUSE OF DIFFICULTIES IN VALVE AND OTHER EQUIPMENT INSTALLATION AND AVAILABILITY. A PIPELINE LEAK HAS DELAYED THE USE OF PIPER FIELD GAS TO DRIVE CLAYMORE PRODUCTION, AND THE FLOTTA PIPELINE IS BEHIND SCHEDULE. ALSO, THERE HAVE BEEN RESERVOIR PROBLEMS IN THE PIPER AND MONTROSE FIELDS, INCLUDING HIGHER THAN EXPECTED PRODUCTION OF WATER. NEITHER OF THE LATTER ARE BELIEVED TO BE SERIOUS IN THE LONG RUN.

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